

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3478
ANSWERED ON:23.12.2008
ANTI-DUMPING-DUTIES
Lagadapati Shri Rajagopal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India alongwith other members is opposing the zeroing clause on anti-dumping duties;
- (b) if so, the details thereof; and
- (c) the details of proposals made by India to the Trade Negotiating Committee?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) and (b): Under the work programme of Doha Round of WTO Negotiations, negotiations are held in the Negotiating Group on Rules (NGR) which are aimed at clarifying and improving disciplines under the Anti Dumping Agreement (AD Agreement) and the Agreement on Subsidies and Countervailing Measures (ASCM).

Article 2.4.2 of the AD Agreement contains provisions for determination of dumping margin in an anti dumping investigation by use of three kinds of comparison methodologies. Zeroing is understood to mean where an investigating authority, while determining dumping margin, does not take into account those transactions where the export price exceeds the normal value and instead assigns a zero dumping margin value in such comparisons. This leads to an inflated dumping margin determined for the product as a whole.

India has been opposed to the use of zeroing methodology as it leads to inflated dumping margin and consequently higher anti dumping duty. The Chairman of the NGR has issued a draft text on 30 November, 2007 proposing amendments, inter-alia, in the AD Agreement by introducing a new Article 2.4.3 whereby zeroing can be used in certain comparison methodologies.

Similarly, in the provisions relating to collection of anti dumping duties covered under Article 9 of AD Agreement, the draft text of the Chairman of NGR proposes certain changes which allow the use of zeroing. During the discussions on the Chair's draft text in the NGR, India, Japan, Brazil, several ASEAN Members, China and several other Members have opposed the NGR Chair's proposed amendment in the text to allow zeroing and have requested for issue of a revised text.

(c): The overall conduct of the negotiations under the Doha Round is supervised by the Trade Negotiating Committee (TNC). Negotiations are held in various negotiating groups or bodies such as Market Access for Non-Agricultural Products (NAMA) for industrial products, Negotiating Group on Rules in respect of Anti Dumping Agreement and Subsidies Agreement, Special Session of the Agriculture Committee for negotiations in Agriculture, Services Council for negotiations in Services, Council for Trade Related Aspects of Intellectual Property Rights for IPR related issues, Special Session of the Dispute Settlement Body (DSB) in respect of the Dispute Settlement Understanding, Trade and Environment Committee in respect of environment related issues. Proposals are made by the Members in the respective negotiating group or body related with the subject. In the Negotiating Group on Rules, some of the proposals made by India related to mandatory application of lesser duty in respect of Anti Dumping Agreement, effective Special and Differential Treatment (S&D) for developing countries in the proposed disciplines of Fisheries Subsidies; amendment in the method of determination of export competitiveness reached by developing countries for the purpose of Article 27.5 and 27.6 of the Subsidies Agreement; proposal to consider India's system of fixation of Standard Input Output Norms (SION) as a reasonable verification system for the purpose of the Subsidies Agreement.